

**MINUTES**  
**Budget Committee Meeting**  
**November 10, 2010**

The meeting was called to order at 6:01 p.m. by Chair Jose Galindez. Present were Councilors Catherine Arnold, Betty Bode, Ian King, Marc San Soucie and Cathy Stanton. Members Karmen Bickel, Randy Blake, Allen Dawson and Keith Parker. Also present were Mayor Dennis Doyle; Randy Ealy, Assistant to the Mayor; Patrick O’Claire, Finance Director; Geoff Spalding, Chief of Police; Terry Merritt, Deputy Chief; Kay Renfro, Court Administrator; John Mercer, Municipal Judge; Joanne Harrington; Recording Secretary.

Mr. O’Claire introduced Karmen Bickel, a new member of the Budget Committee. Mr. O’Claire announced that Member Parker will be departing the Budget Committee at the end of his term, but that he will remain on the Audit Committee.

**MINUTES**

Councilor King MOVED/SECONDED by Member Blake to approve the minutes of the May 24, 25, and 27, 2010, meetings. Councilor Stanton and Member Parker abstained from voting as they were not present at the May 24, 25, and 27, 2010, meetings. The motion CARRIED.

**SUPPLEMENTAL BUDGET S-11-1**

Mr. Galindez turned the meeting over to Mr. O’Claire.

Mr. O’Claire reviewed the property tax rates from Washington County. He explained that they projected that the tax rate would be \$4.19, but it actually came in at \$4.20. This increase translates into an increase of \$1.20 for a home with a taxable value of \$250,000.

Mr. O’Claire reviewed Schedule 2 which shows activities for last fiscal year and whether revenues and expenditures came in over or under the projected estimations.

Mr. O’Claire reviewed Schedules 3 and 4 which take the results of the supplemental budget and show the affects on the various funds’ contingencies. He said the General Fund and the Street Fund contingencies are very good. He said the Building Fund’s contingency should be about 50%, but is a little low at 42% because if operations ceased, it needs to be able to provide services for the outstanding permits.

Mr. O’Claire explained that Library contingency is down a little due to the opening of the Branch Library. It costs about \$400,000 a year to operate the Branch, and the Library will not receive any revenues from the Branch operations from WCCLS until next budget cycle (FY 2010-12).

Mr. O’Claire reviewed Schedule 5 which shows the activity for the City’s Reserved or Dedicated funds that can only be used for specific purposes. He said all reserve levels are very adequate for the City’s operations needs.

Mr. Galindez said he would like more specific contingency targets by fund or an explanation if contingency is way overfunded.

Mr. O'Claire reviewed Schedule 6 which shows the narrative of the dedicated contingency and reserves for each fund.

Mr. O'Claire reviewed Schedule 7 which shows the major categories of expenditures and the affect of the supplemental budget on them.

Mr. O'Claire reviewed Handouts 1, 2, 3, and 4. Mr. O'Claire discussed the City's PERS contributions and PERS reserve account. He also explained the changes in the PERS actuarial rates.

Councilor San Soucie asked under what circumstance would the City take money out of the PERS reserve account and give it to PERS. Mr. O'Claire said that if there was a leveling off of actuarial rate changes, and the market is stable and the City had a surplus, we would stop putting money in the PERS reserve account, however, if the City had a liability that was consistent, it might be offset with the reserve account. Mr. O'Claire said this is not required by the State, but would be a decision of the Council and Budget Committee.

Based on projected salaries and the PERS rate for next year, Mr. O'Claire stated that the City's PERS contribution amount will increase by approximately \$260,000 above what the City currently contributes, which is less than a 1% increase in payroll.

Councilor King asked if the City's PERS Reserve Account was tier specific. Mr. O'Claire said that it was not tier specific.

Councilor San Soucie said there has been a slight improvement in the market and could this result in better PERS assets for next year. Mr. O'Claire said that PERS generally follows the market so if the market improves by 10%, PERS assets should improve by 10%.

Mr. O'Claire reviewed Handout 5 which is the summary of the balances and the history of contingency over the last ten years for the General Fund, Street Fund, Building Fund, and Library Fund.

Mr. O'Claire said the budget reflects that we will spend everything and revenue projections are very conservative. The supplemental budget carries forward the actual beginning working balance.

Mr. O'Claire said that the General Fund and Street Fund are doing well, but the Building Fund came in under their projection for last year's revenues. He said the Library Fund is doing fine even though it had to use some of its contingency for the Branch Library.

Councilor Arnold asked why the City has to wait about a year and a half before WCCLS will increase its revenue for the Branch Library.

Mr. O'Claire said WCCLS funding works on a calendar basis so this year's revenue stream was the circulation for last calendar year ending December 31, 2009. He said the new Branch Library did not open until June 2010 so the revenue for FY 2011-12 will be based on seven months of operations, June 2010 through December 2010..

Mr. O'Claire said the Building Fund's year-to-date revenues are is lower than expected through October 2010.

Mr. O'Claire reviewed Handout 7 regarding water consumption revenues. He said that only \$3.1 million dollars has been collected year to date. Billed revenues are down 4.32%, and water consumption is down about 11% due to the mild, wet summer. He said the water utility has fixed costs that have to be paid to the Joint Water Commission.

Mr. O'Claire discussed the difference between the proposed water rate increases of \$0.10 and \$0.15 that Council would have to decide upon at the upcoming November 16th Council meeting.

Mr. Parker asked why the drop in water revenue was a concern if the City is not going out for new bonds this year.

Mr. O'Claire said the City has received three rate increases since 2008 and are now just under AAA rating which is very good for a municipal water district. Mr. O'Claire said the rating agencies will re-rate us every other year no matter if you are doing a bond issue or not, and if our water revenue starts to drop it will cause concern in the market.

Councilor Stanton said she would like to know Mr. O'Claire's rationale for the water rate increase.

Mr. O'Claire said his preference is to do annual incremental rate increases rather than sporadic larger increases.

Councilor Arnold asked when the City would issue bonds again.

Mr. O'Claire said he thinks the next time would be 2017 when a two of the City's bond issues mature (are paid off).

Councilor Stanton asked about the timeline for Scoggins Dam.

Mayor Doyle said Scoggins Dam is about 15 years out.

Mr. O'Claire reviewed Handout 9, the Schedule of Possible Impact to Property Tax Revenues Due to Potential Decline in Property Real Market Values. Mr. O'Claire said the city lost real market value for the second year in the row. He said the assessed value for taxes purposes went up 3.33%. He said that although it's highly unlikely that it would happen, if the assessed value and real market value intersect, the City assessed value would not increase by the 3% allowed under state law.

Chief Geoff Spalding gave a presentation on the new Traffic Safety Proposal.

Chief Spalding said the ultimate goal of the Traffic Safety Proposal is to reduce traffic fatalities to zero and reduce overall accidents in general. He said traffic accidents kill approximately 3:1 ratio over those killed as a result of a violent crime. He said an Ohio State University study of police enforced intersections versus unenforced intersections showed that there was a 65% drop in red light crashes at the enforced intersections and a approximately 32% drop in total crashes. He said the Traffic Safety Proposal is revenue neutral and the revenues generated will go back into the proposal in the form of education and additional personnel and ultimately a reduction in bail. The Police Department also plans to institute a fix-it ticket program for vehicle equipment violations and expired tags.

Judge Mercer commented on the Traffic Safety Proposal. He said the main goal is to modify driving behavior most efficiently. He said the fix-it ticket program will be very positive.

Mr. Galindez said that the majority of the surrounding cities have a fix-it ticket program. He said we have to consider if our bail structure today supports one of the City's goals to make Beaverton livable, a great place to live, a great place to come and visit, etc. He said some of the current bail amounts seem like revenue enhancers.

Chief Spalding discussed the Right Turn on Red portion of the proposal. He said 58% of all pedestrian injuries and 21% of all fatal injuries occur with motor vehicles at intersections.

Councilor Stanton asked the Chief when they would reinstitute parking enforcement. Chief Spalding said a while back the downtown business owners expressed that parking enforcement reduced their business. The Chief said that recently the business owners expressed that they are interested in having parking enforcement. The Chief said that they may look at hiring a parking enforcement officer some day, but currently the Community Services Officers are responsible for the parking enforcement.

Councilor Stanton said she recalls about ten years ago a study was done and Beaverton's bail amounts were one of the lowest and we were losing money on every ticket due to processing costs. She said following this survey, the bail amounts were raised.

Mr. O'Claire said that he was not involved with that analysis, but that he can provide detail on the photo radar programs. He said that the photo red-light program is currently losing money and over a ten year period they have lost a total of \$400,000.

Councilor Stanton said she likes revenue neutral and that the City should not be losing money on traffic enforcement.

Chief Spalding said they are having conversations with Redflex, the photo red-light vendor, about adjusting their fees. He said that he will keep Council informed.

Councilor Arnold said photo radar is not so much about the cost, but it is more about the safety, especially about the red light running as those accidents are usually the worst.

Councilor Bode asked how the Right Turn on Red proposal will affect a person on a bike who runs a red light.

Chief Spalding said that he is not sure if bicycles will trigger the camera if they run a red light.

Mr. Dawson asked if the photo red light equipment was mobile so it can be moved to different intersections.

Chief Spalding said the photo red light equipment is a permanent installation so it is not mobile. He said before the equipment is installed, the intersection is surveyed to make sure it warrants photo radar enforcement.

Council San Soucie said that he appreciates the totality of the proposal and is in support of it.

Mr. O’Claire reviewed photo red-light program revenues. He said year to date since inception of the program back in 2001, the City has lost about \$425,000. He explained the costs associated with the program and said that the revenue collected does not cover the payment to the contractor Redlfex.

Chief Spalding said another benefit of the proposal is that it includes a Bailiff type position that will increase security to the court.

Mayor Doyle said that a typical cost could be associated with a crash into the side of a vehicle at high speed at an intersection including the fatalities and come up with a dollar amount that would stagger people. He said when you look at the insurance rates savings and safety, this proposal is an unbelievable service to the public.

Mr. O’Claire reviewed the proposed reduction to the bail amounts.

Councilor Stanton questioned a comment on the handout that states that the Court Clerks would no longer be able to do automatic bail reductions by the Violations Bureau.

Judge Mercer said that statement is not accurate. He said the Court Clerks will still be able to reduce bail amounts based on the Violations Bureau schedule.

Mr. Galindez reviewed the proposed Amendments to the Supplemental Budget.

Mr. Galindez reviewed the Transmittal Memo page by page.

Councilor San Soucie asked for information regarding the electric charging auto station expense and the purchase of an electric vehicle and what the City is thinking about in terms of electric vehicle activity in the City going forward and how this relates to that.

Mr. Ealy said that he would provide Councilor San Soucie the information he requested.

Councilor Stanton asked for details about Request No. 103 regarding the AmeriCorp program.

Mr. O’Claire said that since the FY 2010-11 Budget’s adoption, the AmeriCorp program was terminated. The supplemental budget request is to use the unspent funds to hire a temporary employee to complete the work the AmeriCorp program did not complete.

Councilor Stanton asked what this person will be doing in the Neighborhood and Community Events program as additional FTE were recently hired in that program.

Mr. Ealy noted that he would provide the information requested by Councilor Stanton at a later time.

Councilor Bode asked for clarification on the Reprographics Transfer Requests.

Mr. O’Claire explained the transfer entries for the Reprographics Fund.

Councilor Arnold asked for an explanation regarding the Capital Outlay for the Fiber Optic Program.

Mr. O'Claire explained that the Fiber Optic Program is to have link the City's, Portland's and ODOT traffic signal systems via fiber optic so that they have better communication ability. He clarified that the signals are not hooking up to Portland's signals, but are using the same communications infrastructure.

Councilor Arnold asked for an explanation of why there are a lot of supplemental changes for the South Central C Utility Improvement Project.

Mr. O'Claire explained that South Central C affects the Water, Sewer, and Storm funds and is a multi year construction project. He said that most of the supplemental entries are to carryover unspent appropriations from last year for the project.

Chair Galindez called for a motion on the Supplemental Budget S-11-1.

Member Blake MOVED/SECONDED by Councilor Stanton to approve the Supplemental Budget S-11-1 as submitted.

Councilor San Soucie MOVED/SECONDED by Councilor Stanton to approve the Amendments to the Supplemental Budget S-11-1. The Chair called for discussion. The motion CARRIED unanimously.

The Chair asked for a vote on the main motion as amended and that the Supplemental Budget S-11-1 be forwarded to the City Council for a Public Hearing and to discuss the Supplemental Budget as amended. The main motion CARRIED unanimously

At 8:30 p.m. Chair Galindez then turned the gavel over to Mayor Doyle to conduct a Special Council Meeting.

Mayor Doyle convened the City Council for a Special Council Meeting at 8:30 p.m. All City Councilors were present.

Mayor Doyle opened the public hearing regarding Supplemental Budget S-11-1 at 8:30 p.m. There being no public testimony, the hearing was closed at 8:31 p.m.

Councilor San Soucie MOVED/SECONDED by Councilor Arnold to adopt the Supplemental Budget S-11-1 and the amendments as presented. The motion CARRIED unanimously.

There being no further business to discuss the Special Council Meeting and the Budget Committee Meetings were adjourned at 8:32 p.m.

Recorded by  
Joanne Harrington  
Recording Secretary

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APPROVED BY Allen Dawson, Secretary